

RELATIONSHIP BETWEEN HOUSING RENOVATION AND
POPULATION CHANGE IN ST. PAUL'S HISTORIC
RAMSEY HILL AREA

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ABSTRACT

The study examines the effect of housing renovation on 54 households of former residents of a nine block segment of St. Paul's Ramsey Hill area. It focuses on people who moved from buildings which had changed ownership since 1970 and undergone substantial renovation or conversion to condominium ownership.

The study found that over half, all of whom were renters, moved involuntarily. Few of the residents were elderly or racial minorities. Over 75% remained in St. Paul or Minneapolis. About 90% said their current housing condition is better. There was a slight increase in constant dollar housing costs for renters. The problem of whether households were representative of those who were not interviewed and other methodological difficulties were discussed.

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INTRODUCTION

Housing renovation in older urban neighborhoods throughout the nation has increasingly become a focus for public debate among community activists, urban scholars, and public officials. While there seem to be many benefits for local governments and new property owners, critics claim that former residents of the newly renovated property are bearing the burdens of the successful revitalization activity. They are concerned that large numbers of former residents are being forced to leave their homes and neighborhoods to make room for the so-called urban pioneers.

The debates over population change due to neighborhood revitalization have been largely based on opinion, however. Factual data has been lacking which documents whether or not former residents have moved voluntarily, where they moved, and how their housing circumstances have changed. Controversy has heightened as the media has made the issue more visible.

Those who applaud the reinvestment phenomenon, both public and private, are mindful of recent indications of the socio-economic decline of central cities. Population decline, caused in part by the outward movement of upper-middle income households, fiscal problems caused by the narrowed tax base and concentration of the urban poor, and physical deterioration of once fine neighborhoods were symptoms of the malaise. Proponents of the urban revitalization activity see a broadened property tax base, upgrading of the housing stock, increased citizen participation in solving urban problems, and the possibility of population stabilization as signs of growing health of central cities.

By the mid-1970's, those who were concerned about the effect of neighborhood revitalization on existing residents began to vocalize their concerns. By 1977, the concept of reinvestment displacement had become a national issue (Myers and Binder 1978). Though varying definitions have been used, displacement generally refers to the involuntary movement of existing residents from their homes in resurgent urban neighborhoods due to the renovation activity of more affluent newcomers.

In brief, it is suggested that major housing renovation raises property valuations, taxes, and the cost of housing, both for owners and renters. Furthermore, modestly priced rental apartment units are converted to larger, more expensive condominium units, and large homes which were originally single family dwellings and had been converted to low cost rental units are returned to their original state. The existing residents either cannot afford the higher costs or they are evicted by the new owners.

Certain additional issues have been raised by those who oppose the reinvestment activity. Most prominent seems to be the concern expressed over who should benefit from the neighborhood preservation. Many are frustrated by discrepancies between the low level of governmental support for the particular housing needs of the persons who stayed in the deteriorated homes and neighborhoods when others moved to the suburbs and the various levels of public support for the reinvestment activities of newly arrived households.

Other critics are concerned about what they perceive to be the impending homogeneity of once diverse neighborhoods. As the rate of renovation by upper income professionals increases, they believe the potential for socio-economic, racial, and age diversity will decrease.

Some feel that tension and even violence may erupt as former residents are forced to leave their homes and neighborhoods. Already frustrated by lack of adequate education and stable employment, it is suggested that former residents may direct their anger toward renovators whom they perceive to be the source of their housing problems.

One urban scholar challenges the supposition that newcomers to revitalized neighborhoods cost local governments less money than former residents whose need for services is presumed to be high. Weiler suggests that new neighborhood residents may, in fact, demand public services which cost more than those services required by former residents and the increased revenue from property taxes (Weiler 1978).

PURPOSES OF THE STUDY

This case study of a portion of a resurgent neighborhood in St. Paul produces data about which the relationship between urban housing renovation and population change.¹ This article focuses almost entirely on the former residents and their move from a resurgent central city neighborhood. The study was designed, first, to examine the following propositions expressed by community leaders, the media, some scholars, and public officials:

- a. All or most former residents of properties which are substantially renovated move involuntarily.
- b. Racial minorities, the elderly, and renters are foremost among those groups of people who are forced to leave their homes due

to renovation.

- c. Former residents of revitalized neighborhoods relocate in housing in worse condition in nearby deteriorating neighborhoods or in suburban areas.
- d. Housing costs increase dramatically for the former residents who relocate in new homes.
- e. Newcomers who renovate homes in older urban neighborhoods tend to be better educated, more affluent, white, professionals moving back to the city from surrounding suburban areas.
- f. Reinvestment activities decrease rather than increase the supply of housing units, particularly for low/moderate income persons.

Second, the study attempted to determine when and why the former residents of renovated properties left their homes, whether they had financial or relocation assistance, and why and how they located their new homes.

Third, the study was designed to explore how the cost and condition of housing changed for the former residents. Their preferences for their former/current housing were also examined.

Fourth, the study attempted to establish the nature of changes in the renovated housing stock within the study area in terms of the number of habitable units, building types, and the owner/rental status.

Finally, it aimed to determine whether the number of housing units available to low/moderate income persons decreased due to the renovation activity.

FOCUS ON RAMSEY HILL AREA

The nine block area selected for study is located within a portion of the larger 30 block Ramsey Hill neighborhood in St. Paul, Minnesota, situated about one mile west of the State Capital and the city's central business district. In her description of the historical development of the area, Mykletun said the Ramsey Hill area first became attractive to entrepreneurs in the 1850's in large part because of its location on the Mississippi River bluff and near the downtown (Mykletun 1978). Throughout the rest of the century and until the 1930's, the neighborhood continued to be a highly desirable area for successful business and professional households. (FIGURE 1 here.)

The relative wealth of the residents was evident in their houses. Quality construction, variety of architectural styles, and design amenities such as hand carved woodwork are common characteristics of the housing stock. A St. Paul historian considers the concentration of varying styles of nineteenth century architecture to be the largest and best in the city (Sandeem 1979).

Deterioration of the area began in the Depression of the 1930's when many of the residents could no longer afford to maintain the houses (Mykletun 1978). Subdivisions of single-family structures and duplexes provided extra income and further helped to meet the intense demand for housing during and after World War II. Sales of houses to absentee owners for conversion to multiple rental units increased and maintenance of residential property declined. Many residents who could afford to leave the neighborhood moved to suburban areas.

Construction of an interstate freeway six blocks away dislocated black and low income households in the 1950's. Though few blacks moved into Ramsey Hill, they were perceived as a threat by some residents.

Increasingly, large numbers of families joined the nation-wide throng of those fleeing the city for the suburbs.

In the late 1960's, the city Housing Authority declared the area to have significant numbers of deteriorated, substandard homes and began to demolish many of those supposedly beyond repair. The number of both owner-occupied structures and rental properties declined while the amount of vacant land increased. These public activities seemed to accelerate the decline of the neighborhood.

In 1967, however, the efforts of a non profit organization to purchase, renovate and sell inexpensive homes to owner-occupants began to attract people into the area. Old Town Restoration's activities also seemed to encourage some existing homeowners to remain in the area. Stabilization of the area had begun, but the area could still be characterized as a blighted central city neighborhood in terms of population and housing traits.

1970 census data describes certain characteristics of area residents before significant renovation activities began. Figures for Census Tract 355, a 33 block area which includes the Ramsey Hill study area, were compared with those for the city of St. Paul and the SMSA of the surrounding metropolitan area (Census of Population and Housing 1970).

Table 1 here.

In 1972, however, significant changes began to occur. The Ramsey Hill Association was formed by residents who were frustrated by the neighborhood's decline and the local Housing Authority's role in it. The organization's efforts to influence the area's development, to make the area more secure for homeowners, and to promote the area to others

began to halt the decline of the neighborhood. Owner-occupancy began to increase as private individuals and developers began to renovate homes in the area at an increasingly faster pace.

The 1973 State Legislature designation of Ramsey Hill as part of a historic district both reflected and stimulated enthusiasm about the area. Once again, it began to be considered a desirable residential neighborhood by residents and others who were competing for available structures to purchase and rehabilitate. The large size of living units and of rooms, design amenities, and location once again began to attract middle and upper income persons.

To try to determine whether the selected study area is characteristic of the wider Ramsey Hill area and, further, if the interviewed households are representative of those who were not interviewed, several comparisons were made. First, 1970 census figures for Tract 355 were used to define the larger Ramsey Hill area (1970 Census of Population and Housing Census Tracts). Second, 1970 block statistics for six census blocks within the selected study area were used to define the study area (1970 Census of Housing Block Statistics). 1978 figures gathered in this particular Ramsey Hill case study are included in the third column.

Table 2 here.

On the basis of the six variables used, the selected study area represented by the six combined blocks seems typical of Census Tract 355 with one exception. There was a smaller percentage of households with minority group members.

Further, based on comparisons of a limited number of variables, the 1978 figures from this particular case study seem to reflect the larger Ramsey Hill Area. There are two problems with these comparisons. First, though the variables used are important indications of population and housing characteristics, they are few in number. Second, the census tract data is ten years old. Many changes may have occurred in both the population and housing stock since then.

Though the former residents who were interviewed in this study were representative of the wider area in most respects, there were a few important exceptions:

1. The former residents who were interviewed were considerably younger.
2. A much smaller percentage of former residents who were interviewed live in one person households.
3. A much higher percentage of former residents who were interviewed have at least a high school degree and hold professional-managerial jobs.

METHODOLOGY

The study was selected because much of its housing stock was undergoing extensive rehabilitation or had recently been completed. The study focused on current and former residents of renovated units in a nine block area of the Ramsey Hill area of St. Paul.

Current residents were:

1. Persons who resided in properties which have undergone
 - a. change in ownership since 1970 and
 - b. substantial renovation since or in conjunction with the purchase.²

2. Persons who resided in properties in which the change of ownership since 1970 resulted in conversion of multi-family rental property to condominium or cooperative ownership.

Former residents were:

1. Persons who lived in those properties immediately before the change of ownership and subsequent rehabilitation.
2. Persons who lived in the properties after the change of ownership but who left before renovation began or in conjunction with the renovation.

If a property had been vacant for more than a year before present residents moved in, no attempt was made to locate former residents.

Two separate questionnaires were designed to elicit information from current and former residents of renovated properties. The interviewing process extended from June, 1978, through December, 1978.

The first current residents were contacted by telephone or mail. If they met the study criteria, they were asked to name other persons on the block who had done major renovation. The process continued until all residents of those properties which were thought to have been substantially rehabilitated were located. Certain persons were unable or unwilling to be interviewed in person but agreed to be interviewed by telephone or to complete a mail survey.

Attempts were made to locate former residents in a variety of ways:

- 1- Polk City Directories from 1970 to 1977 were used to chart residents of those properties which were determined to have undergone substantial renovation.

- 2- Current residents were asked to identify former residents in their homes.

3- Former residents who were interviewed were asked to supply names, addresses, and telephone numbers of persons who previously lived in their former building or in the study area, in general. Both telephone and mail contacts were made. Several residents were unwilling to be interviewed in person but agreed to complete a mail survey or to be interviewed by telephone.

Fifty-one separate residential properties were determined to fit the study criteria. They present 37% of the total number of residential buildings in the study area. Seventy-one separate households of current residents who lived in 44 of the 51 properties were interviewed. It appears that as many as 20 additional households lived in properties which seemed to be eligible for the study.

Fifty-four households of former residents were interviewed. Additional persons live within some of the households but they are new spouses or roommates and are not included in any of the statistical data.

Another 58 households of former residents were located but not interviewed. Thirty-nine of these households were definitely located but either could not be contacted, refused to be interviewed, or agreed to complete a survey but did not return it in the mail. An additional 19 households were said by other current or former residents to be living at a given address but the information could not be confirmed. Six elderly residents in four households are known to have died.

Several reasons may explain why many former residents were unwilling to be interviewed. Many were anxious about talking to a stranger. Some persons, known by the interviewer to have formerly lived in buildings in which drug abuse and violence were prevalent, refused to be interviewed. Others seemed preoccupied with family or personal crises and were unwilling

to take the time to be interviewed. Former residents, in general, seemed less interested in the concept of the study than were renovators.

There is no way of knowing precisely whether the people who were interviewed were representative of the larger group of persons who formerly lived in the study area. Nonetheless, the data is useful to describe a large number of the former residents and their experiences in moving from substantially renovated homes.

Interviews were also held with persons in and near the Ramsey Hill area. The observations of developers, lenders, community leaders, and longtime residents who still lived in the neighborhood helped the author of this study to develop a better understanding of the dynamics of the population change.

FINDINGS

The results of the survey of former residents are organized into the following major categories: demographic and socio-economic characteristics of former residents, process of relocation, comparisons between former/current housing of former residents, changes in the housing stock in the study area.

Demographic and Socio-Economic Characteristics of Former Residents

The question of who formerly lived in substantially renovated homes has been the subject of considerable discussions. The 54 households who were interviewed were examined according to the following variables: age, racial status, marital status, education, and income.

Those former residents who were interviewed were relatively young. Less than 12% of the 114 individuals were 60 years of age or older. Less than 9% were in the 50-59 year category, about 10% were in the 40-49

year group while almost 25% of the population were 30-39 years of age. Fourteen percent were 19-29 years and 29% were under 19 years. A small percentage of residents did not respond. The median age of adult respondents, 19 years or older, was about 37 years of age.

The study findings are inconsistent with the assumptions in the literature that the elderly are among those groups most often forced to move due to renovation activity. Two explanations are possible. First, among those who were unwilling to be interviewed were elderly people who lived alone and seemed fearful. Second, the census data was several years old at the time this study was done. It is possible that the average age of the residents has declined considerably since 1970.

Based on observation of the interviewer, the large majority of the former residents are white. Though the estimates may be slightly low, only 7.4% of the households included members of racial minority groups.

The specific study area is unlike many other neighborhoods discussed in the literature. The Ramsey Hill population has been overwhelmingly white according to longtime residents and descriptive literature about the area. Some community leaders suggested the findings would have been considerably changed if the study had been conducted immediately to the west or north where the number of minority households has been high.

Over 40% of the 54 households were single persons. Nearly 29% of the households included married couples, and almost the same proportion had persons who were divorced, widowed, or separated.

Nearly 73% of the 81 adults were employed. Another 17% were retired, students, homemakers, or persons who were doing fulltime renovation on their homes. Only 6.2% considered themselves unemployed. In view of rumors about the drifting nature of the former residents and the

assumption in the literature that large numbers of former residents are unemployed, the rate seems low. It is possible that a larger proportion of those could not be located or refused to be interviewed were not employed.

Almost half of the adults who were employed held professional or managerial jobs, refuting the prevailing wisdom that large numbers of blue collar workers resided in such neighborhoods before renovation. Only about 12% of the former residents had labor jobs while approximately 10% were in crafts, and 5% each were in sales, clerical, transport, and service jobs.

The former residents were well educated. Over 40% had at least a college degree. Two factors may account for the unexpectedly high level of education attained by a large proportion of persons. First, students were among those people who formerly lived in modest cost housing in the study area. Many have completed their educations since they lived in the study area, raising the level of education for former residents.

Second, several persons lived in buildings which had previously undergone major population change. The properties were only cosmetically improved but the rents were raised, forcing low income tenants to move out and more affluent people to move in. The buildings were later sold to developers who substantially renovated them. All of the people who lived in them immediately before renovation were highly educated.

Table 3 here.

The following figures for annual household income show the former residents at all levels. The median income which falls within the \$10,000 to \$15,000 range is well below the city and metropolitan averages. An

estimate of annual average income, based on 1978 Polk Company data for St. Paul households, is \$16,095. Households in the surrounding seven county metropolitan area are estimated to make \$20,334 (R.L. Polk Co. 1978).

Table 4 here.

An observation should be made about the relationship between the fairly high level of education achievement and the moderate income level. Many of the former residents are employed at jobs which utilize their academic background but pay low salaries. One woman, for example, has a Master's degree in Design, majoring in textiles, and teaches weaving in a low paying job. Others have opted to work at jobs which are unrelated to their academic training. A young man with an advanced degree is in the process of starting his own carpentry business. On the other hand, the low median income, relative to their fairly high level of education, may reflect the current competitiveness in the job market and their inability to find jobs which compensate for their education.

While the new residents of the renovated property are not the subject of this article, it is interesting to make some brief comparisons with those former residents who were located and interviewed. In brief, the current residents are slightly younger in age than the former residents. The median age of adults who responded is about 35 compared to the median age of about 37 among former residents.

Only three percent of the current households, as opposed to 7.4% of former resident households, include members of racial minority status. In regard to marital status, persons in slightly more than half

of the households of current residents are married while less than 30% of former resident households are.

A higher proportion of current residents were found to be employed. Three-fourths of those persons who are employed hold professional-managerial jobs while less than half of the former residents do. Finally, the annual household income is higher among renovators than among former resident households. The current residents' median income falls within the \$20-\$25,000 category compared to the \$10-\$15,000 range for former residents.

All of these findings are consistent with the assumptions in the literature but the differences were found, in this study, to be a matter of degree. Recent reports which describe the renovators as young, middle to upper-middle class, white and professional are common.

Finally, it is interesting to note how long former residents had lived at their former Ramsey Hill homes. Forty-seven percent of the households had resided there only two years or less, perhaps reflecting the high rate of mobility among renters, in general. About 38% had lived there from three to ten years and only 15% had lived there longer.

Persons with certain socio-economic characteristics lived there a short time, two years or less, compared to others:

Two thirds of the households in higher income groups (\$20,000 or more) compared to only 40% of the lower income group.

Slightly more than two thirds of persons with professional-managerial jobs compared to only 35% of those with other jobs.

Two thirds of those persons with college degrees or more compared to only 44% of the others.

More than two thirds of those aged 19-39 compared to only 15% of the elderly.

The voluntary/involuntary nature of the former residents' move from their homes is one of the most controversial issues in the urban reinvestment discussion. Residents in this study were asked whether or not they moved voluntarily. Thirty one of the 54 households or 57.4% said they did not leave voluntarily while 22 households or 42.5% said they did. Certain groups were less likely to have moved voluntarily:

- More than 75% of the households who make less than \$20,000 annual income compared to only 42% of those with higher income.
- Sixty two percent of those households without children compared to only 47% of those with children.

All of those who moved involuntarily were renters. This finding is supportive of the literature which asserts that renters are among those groups most vulnerable to displacement.

Former residents were then asked to indicate the main reason they left their home. Though a combination of circumstances usually influenced the decisions of many households, their responses were categorized into either "voluntary" or "involuntary" for purposes of clarity.

(Table 5 here.)

PROCESS OF RELOCATION

Nearly 60% of the former resident households, whether renters or owners, moved from their homes in 1976-78. Almost 37% left between 1973 and 1975 and fewer than 4% from 1970-72. It is likely that a substantial portion of those who were either impossible to locate or unwilling to be interviewed were among those who left the area in the early 1970's.

As residents elaborated on why they left, it became apparent that about 20% of the households who said they left involuntarily felt they had some choice. Either they had planned to move soon anyway or they were offered affordable options to buy condominium units and rejected the offer.

Furthermore, more than one-third of those households who moved voluntarily did so for reasons related to renovation activities. One couple who left primarily for business reasons, for example, were also influenced by negative experiences with the renovators. They felt new residents were constantly pressuring them to make unnecessary and unaffordable improvements and degrading them for having a large family and for running a board/care home.

Only about 17% of the households received financial assistance or relocation counselling. As would be expected, all but one was at the lower end of the income scale. Aid came in the form of relocation assistance payments or location of replacement housing by the local Housing Authority, referral to another apartment by landlord, or free rent in another building of the property owner.

Former resident households gave one or more major reasons for selecting their new homes.

Table 6 here.

Among those who mentioned design, size and renovation opportunities were:

- Approximately 58% of those whose annual income was \$20,000 or more compared to only 16% of those from the lower income group.
- More than one-half of those households with children compared to less than one-quarter of those without children.

Affordability was a major factor for over 40% of those persons with professional-managerial jobs compared to only about 16% of the other. Location of their new housing in relation to public transport, downtown and employment was also important to many households, regardless of

socio-economic characteristics. The presence of parks, recreation and schools and the relative security of their neighborhood were listed as additional reasons for selecting the particular location.

As shown in Table 7, nearly 70% of the households presently live within the City of St. Paul. Nearly 10% moved to St. Paul or Minneapolis suburbs, 8.9% to other states, 8% to the City of Minneapolis, and 3.5% elsewhere.

Table 7 here.

It is clear that those former residents who live close to the study area were the easiest to locate. They were often listed in local directories or were known by other persons to live in the area. It is likely that many of the people who could not be located live farther away from the study area and the City of St. Paul.

COMPARISONS BETWEEN FORMER/CURRENT HOUSING OF FORMER RESIDENTS

Moving from the study area resulted in several housing changes for the former residents. There was a slight overall increase in the proportion of households who own their homes, from 25% to 35%. Ownership was more common among upper income households, households with children, households with persons who have at least a college degree, and those with persons in the 30-39 year age group.

Comparative housing costs were examined from many perspectives. First, the median monthly cost of housing increased from approximately \$120 to \$180. Table 8 shows the former and current range of housing costs.

Table 8 here.

These findings, however, have several limitations. Several households refused to answer this question. Even those households which responded often indicated they were only roughly estimated the actual cost of previous housing. The number of persons housed in a particular household often changed from former to current times. Because costs were only calculated for persons who lived together both previously and presently, it was difficult to determine the actual cost of housing increase per household.

Second, the actual dollar costs of the 27 households which were formerly renters and continued to rent were examined to determine the impact of inflation. The consumer price index for rental housing in St. Paul-Minneapolis was used for the year in which each household last lived in their Ramsey Hill home and for 1978 (U.S. Department of Labor Statistics). It was determined, as shown in Table 9, that the constant dollar monthly housing costs increased for 15 of the 27 households and decreased for 12 households.

After inflationary increases were factored out, there was a slight increase in rental costs. The median change in rental costs was an increase from 0-10%.

Third, for purposes of determining what certain groups of former residents were paying in current housing costs, the monthly figures they cited were divided into three levels: \$0-149, \$150-249, and \$250 and above. Significantly, more of the lower income group, those households earning less than \$20,000, and those persons 60 years or older are currently paying the lowest level of costs. Those persons in the 19-39 age group are paying the highest level of costs.

It was determined that the number of households to use subsidies increased only slightly from 13% to about 20%. As expected, most of

the households were from the groups of the least educated and the lowest income.

Residents were asked to compare the condition of their present and former homes. As shown in Table 10, whether or not they moved voluntarily, a majority of the 54 households said the conditions are better in their present home. A large majority, 87%, feel their present housing condition is better or comparable. While the study is limited in terms of the number of households interviewed, the findings suggest the possibility that many upgraded their housing.

CHANGES IN HOUSING STOCK WITHIN THE AREA

Much of the argument over renovation has been based on the implication that renovation causes a reduction in the supply of rental units. In various respects, that phenomenon was found to occur in this study.

First, there was a dramatic change in owner/rental status in the properties studied. The rate of ownership among new resident households who were interviewed was 94% compared to only 24% among former resident households.

The rate of renter status among former residents was associated with the fact that the previous stock of housing consisted of large numbers of rental units in deteriorated apartment buildings or multifamily buildings which had been converted from single family dwellings. The dramatic increase in ownership is explained by the tendency of people who buy and renovate multifamily homes to convert them to ownership property. This is consistent with a national trend in resurgent city neighborhoods.

Second, the number of units, regardless of rental/owner status, declined dramatically from 237 to 117. Current resident households were asked to define the type of structure in which they lived both before

persons had moved from the specific study area, it is not certain that those persons interviewed were representative of the former residents who were not reached.

Several assumptions were not supported by the findings of this particular study. The theory that large numbers of persons of racial minority status are among those groups who leave revitalizing neighborhoods was not found to be true in this study. Apparently, other studies which reveal minority displacement were in areas which had a large minority population. This particular area was overwhelmingly white both before and after renovation began though the areas directly to the north and west were higher in racial minority status.

As to where the former resident households move, this study suggested that they did not move in large numbers to suburban locations as the literature presumes. Over 75% of the households stayed in either St. Paul or Minneapolis while only 10% made their way to surrounding suburbs.

Though there is no way to support or refute the assumption that residents move to more deteriorated neighborhoods, the residents' own perception seems positive. Almost 75% of the households say they were able to relocate in a satisfactory neighborhood.

Other reports suggest that all households who leave renovated homes in revitalized neighborhoods do so unwillingly. In this Ramsey Hill study, it was found that only slightly more than half moved involuntarily. Furthermore, a few of them either had planned to move soon anyway or had rejected affordable options to buy condominiums.

While it appears that the housing of a large majority of households improved, however, the situation may have been unique for those particular persons at the time they moved. Many of the households left up to five years earlier when the vacancy rate was higher than the present city rate

and after they renovated it. Residents in 44 of 51 separate properties which were studied responded. The largest number of properties, before renovation, were apartment buildings or multifamily houses with rental units. The number of such structures decreased due to conversion of those properties to their original single family state or to condominium owned multifamily units. The dwelling units which remained were larger, more expensive than those occupied by the former residents, and tended to be owner occupied.

SUMMARY AND CONCLUSIONS

The study was designed to produce factual data which help to lessen controversy about the relationship between housing renovation and population change. Certain findings were significant because they either supported or challenged the assumptions made by earlier scholars or others interested in the issue of displacement.

In support of the assumptions in the literature, it was found that renters are prominent among those who left their homes due to renovation activities. All of the households which left involuntarily were renters. Furthermore, several of the other households which left voluntarily were renters who elected to leave. Renters obviously have fewer options.

The assumption that housing renovation decreases rather than increases the supply of housing units was likewise reinforced by the findings. The concern expressed by many that moderately priced rental units are increasingly difficult to obtain is supported by these study findings.

The findings are less clear on changes in age of population due to renovation. While the findings suggest that only small numbers of elderly

of 1.7%. If the rate continues or drops, satisfactory or even adequate replacement housing may be increasingly more difficult to obtain. Further, many of the former residents currently live in homes in or near the Ramsey Hill area which are soon to be renovated. They will most likely need to find replacement housing in the near future.

Presumptions that housing renovation and revitalization of older central city neighborhoods will continue to occur locally and nationally seems to be realistic. The heavy demand for housing, caused largely by the formation of new households by children of the post World War II baby boom, should continue at least through the mid-1990's. The demand can be met in part by the renovation of older urban housing stock before it deteriorates beyond use.

In view of the finding that housing options are decreasing for low/moderate income persons, particularly renters, in resurgent neighborhoods, it seems important for public officials to examine policies related to renovation. Public policies which stimulate private market and public reinvestment in older neighborhoods should also protect the housing interests of existing residents and increase opportunities for them.

On the basis of this particular study governmental policies should concentrate in three areas: more affordable rental opportunities for the low/moderate income households, more opportunities for renters to convert rental units which they occupy to ownership, and assistance to existing low-income homeowners to maintain and stay in their homes.

EXPLANATORY FOOTNOTES

1. For a more in depth analysis of their experience and perceptions of both the former residents and the renovators, the reader is referred to "Population Change Due to Housing Renovation in St. Paul's Ramsey Hill Area," an unpublished Master's thesis by Sands.
2. For purposes of this study, substantial renovation refers to housing improvements which involve either:
 1. changes in the number of household units or
 2. various structural changes involving addition or removal of walls or rooms and replacement of mechanical systems.

It does not include improvements which were basically cosmetic but were accompanied by large increases in rent.

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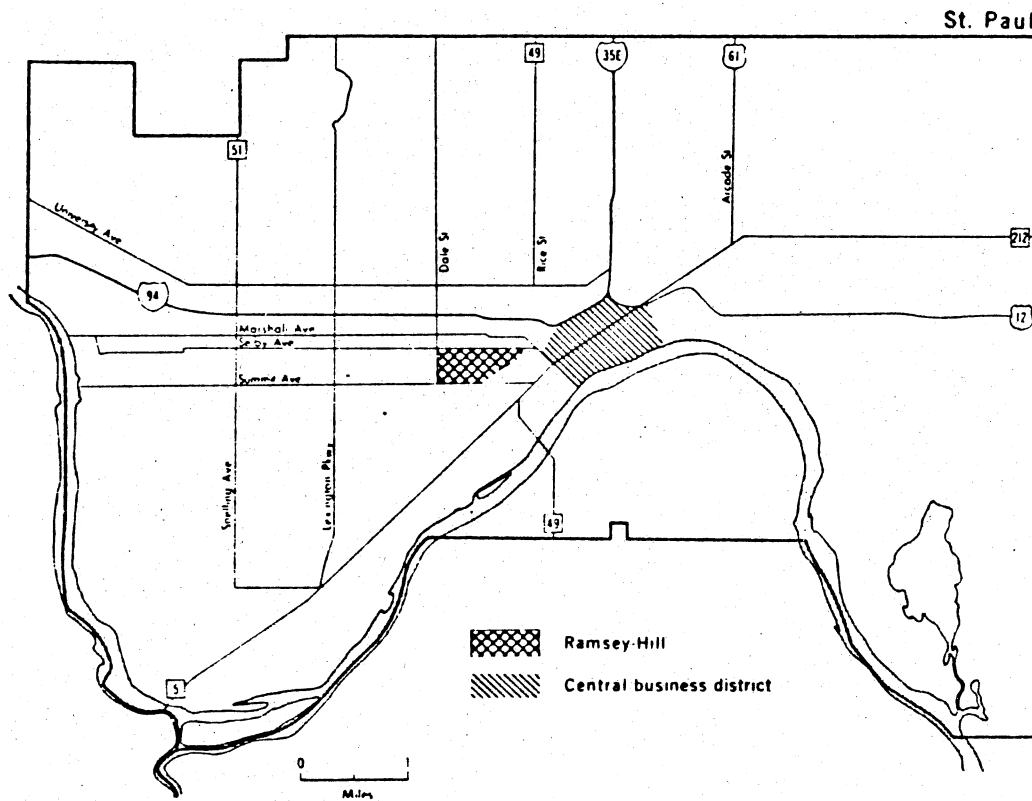


Figure 1. Location of Ramsey Hill Area

Table 1. 1970 Comparisons of Population and Housing Characteristics.

	<u>Tract 355</u>	<u>City</u>	<u>SMSA</u>
Median household income	\$6418	\$10,544	\$11,682
Median years of school completed, persons age 25 and over	10.7%	12.2%	12.4%
% of population black	7.7%	3.5%	1.8%
% of occupied housing units, renter occupied	78.0%	42.2%	33.7%
Median values for owner occupied units	\$13,600	\$18,600	\$21,000
% of population, 5 years and older, who lived in area over 5 years	35.7%	56.7%	52.5%
% of households who moved into current unit in last 2 years	44.5%	31.2%	34.3%

Table 2. Comparison of Population and Housing Characteristics 1970-1978.

Population Housing Characteristics	Census Tract 355 (1970)	Six Combined Blocks (1970)	Study Figures (1978)
% of population under 18 years	23.0%	22.0%	28.9%
% of population over 65 years	28.0	28.0	11.4
% of population, black	7.7	2.8	7.4
% of persons with high school degree or more	39.9	*	70.5
% of persons with professional, managerial jobs	17.0	*	49.1
Median household income	\$6,480	*	\$10-\$15,000
% of 1 person households	50.0%	*	29.6%
% who lived in units over 5 years	35.7	*	37.7
Renter occupied units	78.0	*	76.0
Average rent of renter occupied units	\$72.00	\$82.00	*
% of owner occupied units lacking some or all plumbing units	10.0%	10.0%	*
% of renter occupied units lacking some or all plumbing units	22.0	17.8	*

* No available information.

Table 3. Education Level Attained.

<u>Level Completed</u>	<u>% of Former Residents (N= 81)</u>
8th grade or less	14.8
Some high school	2.4
High school degree	17.3
Some vocational or college	13.6
College	28.4
Master's degree	6.2
Ph.D or professional degree	5.0
No response	12.3

Table 4. Annual Household Income.

<u>Annual Income</u>	<u>% of Former Residents (N=43)</u>
less than \$5,000	18.6
\$5,000-9,999	23.3
\$10,000-14,999	16.4
\$15,000-19,999	14.0
\$20,000-24,999	9.3
\$25,000-29,999	7.0
\$30,000 and over	11.6

Table 5. Residents' Reasons for Leaving Former Homes.

(Numbers)			
Reason for Involuntary Move (N=31)	Were Renters	Were Owners	Total
Rental property converted to condominiums	13	0	13
Owner sold for renovation	7	0	7
Eviction-property to be remodelled	10	0	10
New owner began remodelling apartment	1	0	1
Reason for Voluntary Move (N=23)	Were Renters	Were Owners	Total
Personal business reasons	0	7	7
Dissatisfaction with neighborhood	1	4	5
Did not want or could not afford improvements	0	3	3
Wanted to buy home	4	0	4
Dissatisfaction with house	3	0	3
Household stayed at same address when condominiumized	1	0	1

Table 6. Reason for Selecting Residence.

<u>Reason</u>	<u>% of Households</u>
Design qualities, size, and opportunity for renovation	31.5
Affordable price	29.6
Location	27.8
Availability	24.0
Ownership or business potential	13.0
Other	5.6
(No response)	3.7

Table 7. Current Location of Former Residents.

	Definitely Located	Tentatively Located	Total	Percentage of Households
St. Paul	64	14	78	69.7%
St. Paul or Minneapolis Suburbs	10	1	11	9.8
Minneapolis	8	1	9	8.0
Outstate	2	-	2	1.8
Other States	7	3	10	8.9
Other	2	-	2	1.8
TOTAL	93	19	112	100.0

Table 8. Comparative Cost of Housing.

Cost of Housing	Formerly (N=43)			Currently (N=43)		
	Owners	Renters	Total	Owners	Renters	Total
\$0-49		5	5		3	3
\$50-99		7	7*		4	4
\$100-149	2	13	15*	1	7	8
\$150-199	2	4	6	3	8*	11
\$200-249	1	3	4	1	4	5
\$250-399		5	5	3	4*	7
\$400 and up	1		1	4	1	5

*One household each included utilities in the cost of rent.

Table 9. Change in Constant Dollar Housing Costs.

Percentage Change In Constant Dollars	Number of Cases (N=27)
- 30%-40%	3
- 20%-30%	3
- 10%-20%	2
- 0%-10%	4
+ 0%-10%	4
+ 10%-20%	2
+ 20%-30%	4
+ 30%-40%	1
+ 40%-50%	0
+ 50%-60%	1
+ 60%-70%	0
+ 70%-80%	1
+ more	2